

Nevada Gaming Control Board
Regulation 6.150 Bankroll Requirement
Instructions (Draft: 11/04/05)
[Not for use by Stand-Alone Restricted Licensees]

- 1) Cash in cage:
 - a) "On Hand" – includes currency only. Currency is defined as paper money issued by the United States Government and does NOT include coin or foreign currency.
 - b) "Next Business Day" – includes line **1a** plus all items in the cage that could be converted to currency by the next business day. This would include, but is not limited to, the following items:
 - i) Coin.
 - ii) Personal checks, payroll checks, cashier's checks, and traveler's checks.
 - Exclude counter checks and markers.
 - iii) Foreign currency and foreign chips / tokens.
- 2) Customer Deposits – include front money, safekeeping, and wagering accounts.
 - a) "On Hand" – includes only deposits made in cash and included in the count of cage currency.
 - b) "Next Business Day" – includes all deposits.
 - Include all amounts held on behalf of patrons.
 - Exclude race and sports wagering accounts (item addressed separately at line **18g**).
- 3) Net cash in cage – line **1** less line **2**.
- 4) Cash on casino floor:
 - a) "On Hand" – includes all currency maintained in gaming areas other than the cage. Some areas would be, but are not limited to, the following:
 - i) Slot banks, booths, carousels, vaults, and gaming kiosks.
 - Exclude funds in slot machines
 - ii) Keno, bingo, race and sports, and poker banks.
 - b) "Next Business Day" – includes line **4a** plus all items maintained in gaming areas other than the cage that can be converted to currency by the next business day.
- 5) Cash in bank:
 - a) "On-Hand" – may use only if a waiver has been granted. See instructions below.
 - b) "Next Business Day" – funds held at financial institutions that can be converted to currency and be at the casino by the next business day.
 - Must use a current and accurate book balance.
 - i) Balance must include all bank fees incurred.
 - ii) Book balance may be increased by the amount of checks cut but still held on property, if verifiable.
 - A Letter of Credit may be included if it has been issued to this property only (no corporate letters of credit).
 - Restricted funds may not be included (e.g. CD held as deposit, bonds, jackpot insurance guarantees, Regulation 5.025(4)(b) reserve, etc.).
 - See line **12** for handling of corporate treasury funds.
- 6) Cash available – sum of lines **3** through **5**.
- 7) Gross gaming revenue – 1 percent of the licensee's prior business year's reported gross gaming revenue.
 - New licensees with less than 1 year of reported revenue should use projections provided in licensing applications.
- 8) Per game / per machine requirement:
 - a) "On Hand" – is 50% of the figure from line **17** on page 2 of formula.
 - b) "Next Business Day" – is 100% of the figure from line **17** on page 2 of formula.

- 9) Variable amounts requirement:
 - a) "On Hand" – no requirement.
 - b) "Next Business Day" – enter the figure from line **18i** on page 2 of formula.
- 10) Total bankroll requirement – sum of lines **7** through **9**.
- 11) Cash excess / (deficiency) – line **6** less line **10**.
- 12) Corporate treasury funds – may use only if a waiver has been granted. See instructions below.
- 13) Adjusted cash excess / (deficiency) – line **11b** plus line **12**.
- 14) Slot Requirement:
 - a) "# of machines" – number of machines reported on most recent NGC-31.
 - b) "Per machine requirement" – refer to look-up table on page 3 of formula.
 - c) "Requirement" – equals "# of machines" multiplied by "per machine requirement."
 - d) Total slot requirement – sum of column "c."

Note: Slot Route Operators should use the line marked "Slot Route Operators Only" and put the number of machines route-wide on that line. No other licensees should use this line.
- 15) Table Games Requirement:
 - a) "# of tables" – number of tables reported on most recent NGC-31.
 - b) "Per table requirement" – Refer to look-up table on page 3 of formula.
 - c) "Requirement" – equals "# of tables" times "per table requirement".
 - d) Total table games requirement – sum of column "c".
- 16) Other Gaming Areas:
 - a) Race book – refer to look-up table on page 3 of formula.
 - b) Pari-mutuel wagering – refer to look-up table on page 3 of formula.
 - c) Sports pool – refer to look-up table on page 3 of formula.
 - d) Keno – enter the highest in-house progressive or non-progressive payout offered, regardless of related insurance policies or reserve required per Regulation 5.025(4)(b).
 - If multiple games are offered, only enter the highest overall payout.
 - e) Bingo – enter the highest in-house progressive or non-progressive payout offered, regardless of related insurance policies.
 - f) Total other gaming area requirement – sum of lines **16a-e**.
- 17) Total per game, per machine gaming requirement – sum of lines **14d**, **15d**, and **16f**.
- 18) Variable Amounts Requirement:
 - a) Highest slot payout – enter the greater of: 1) highest in-house progressive displayed meter amount or, 2) largest non-progressive payout offered (except items covered by line **18h**).
 - i) If largest non-progressive payout is a non-cash item (e.g. car) with a cash option, use the greater of the cost of personal property or cash option.
 - ii) Exclude 3rd party operated wide area progressives where the 3rd party is responsible for the progressive payout.
 - iii) Include related party wide area progressives if the property is responsible for paying the jackpot.
 - For licensed operators of inter-casino linked systems (OILS), and slot route operators (SRO), who operate an inter-casino linked system and are not licensed as an OILS, include all progressive jackpots that the entity is responsible for paying.
 - b) Race and sports book progressive liabilities – enter the highest progressive offered.
 - c) Table and Card games progressive liabilities – enter the highest progressive offered.
 - d) Other progressives – enter the highest progressive offered.

- e) Contest / tournament payout liability – must include all amounts owed to patrons.
 - i) Until contest / tournament begins, all entry fees collected must be included.
 - ii) After the contest / tournament begins, all payout commitments to public must be included (e.g., weekly prizes and grand prize).
- f) Miscellaneous Promotions (e.g. drawings, scratch off tickets, wheel spins, slot machine pulls, etc.) – refer to look-up table on page 3 of formula for thresholds. For promotional payouts that exceed the applicable threshold, enter only the highest overall payout. If no promotional payouts exceed the threshold, no amount need be entered.
- g) Regulation 22.040 liability – is 100% of the liability per Regulation 22.040, regardless of the reserve maintained or waivers received, if applicable.
- h) Periodic payments – the following amounts should be maintained per Regulation 5.115(9):
 - i) Regulation 5.115(3)(a) plans – installment payments due within the next 12 months.
 - ii) Regulation 5.115(3)(b) plans – the first installment payment, if not yet paid, and the present value of all future payments.
 - iii) Regulation 5.115(3)(c) plans – reserve amount as defined in Regulation 5.115(2)(m).
- i) Total variable amounts requirement – sum of lines **18a-h**.

Instructions for Corporate Treasury Waiver

Cash in bank accounts is often a material component of the cash available the next business day. To maximize profitability and for other business reasons, many licensees use cash management techniques that limit the amount of cash available in bank accounts dedicated to a specific gaming property, instead managing treasury functions at the corporate level. Where the licensee has funds available on the premises to meet the full bankroll requirement, this does not raise any Regulation 6.150 compliance issues. However, in cases where the cash in corporate level bank accounts is being used to satisfy the bankroll requirements, the Board must be satisfied that the total amount of cash managed at the corporate level is available in sufficient amounts to cover all bankroll requirements for each gaming operation under the corporate umbrella.

Furthermore, since licensees are required to monitor daily their compliance with the bankroll requirements, it is critical that the individual properties or operations be aware of the extent to which corporate assets are available to satisfy the bankroll requirements.

In view of these issues, the Board requires those who seek to satisfy bankroll requirements through the use of corporate funds to obtain prior approval. Approval will require the licensee to:

1. Demonstrate that sufficient cash assets are available to all Nevada gaming properties within the required time frame (next business day) after taking into consideration demands for operations other than the Nevada gaming properties.
2. Document the way in which the amount available to each property will be determined, documented for Board review and made known to the individual properties for purposes of self-monitoring compliance with Regulation 6.150 as well as the completion of bankroll verifications by Board auditors.

Determinations will be made on a case-by-case basis upon licensee request. Corporate level lines of credit may, if deemed appropriate by the Chairman, be approved for use in lieu of cash accounts.

If approval to use corporate assets has not been granted, a licensee may use only those assets under the control of the property or operation to satisfy the requirements.

If approval is granted, the licensee shall document corporate assets separately in the space provided for this purpose on the bankroll worksheet. If the corporate bank accounts have a negative balance, this too must be disclosed and be taken into account in the computation of cash available.

Instructions for “On-hand” Bank Balance Waiver

To reduce the threat of theft, accommodate customer payment preferences, and other operational reasons, some licensees may pay a substantial portion of their jackpots with checks. Licensees therefore may have good cause to satisfy a portion of the “on-hand” requirement using cash in bank accounts. The Board requires prior approval for those who seek to include cash in bank as part of their “on-hand” bankroll requirements. Approval will require the licensee to demonstrate that a majority of their larger jackpots are paid via check.